

**Iowa Telecommunications & Technology Commission
Grimes State Office Building, 1st Floor
400 E. 14th Street, Des Moines, IA 50319**

FINAL

October 19, 2011

To ensure the most efficient use of State resources, the October 19, 2011, ITTC meeting was held via a conference call pursuant to Iowa Code section 21.8. A video conference call also ensured more Commissioners were able to participate in the meeting and reduced the risk of delays caused by weather or other impediments to travel. The meeting was accessible to members of the public through attendance at the Grimes State Office Building.

Commissioners Present

Betsy Brandsgard, Chairperson (via video-conference)
Shannon Cofield, Member (via-video-conference)
Richard Bruner, Member (via video-conference)
Tim Lapointe, Member (via video-conference)

Commissioners Absent

Robert R. Hardman, Member

Iowa Communications Network Staff Present:

Dave Lingren, Executive Director
Joseph Cassis, Business and Governmental Services (BGS) Director
Will Walling, Network Operations and Engineering Director
Phil Groner, Business Services Manager
David Marley, Network Operations and Engineering Manager
Mike Cruise, Finance
Jontell Harris, Information Specialist 1
Lori Larsen, Public Relations Officer
Alexis Slade, Executive Secretary (Recorder)

Guests:

Aaron Beckerman, Iowa Network Services
Meghan Gavin, Attorney General's (AG) Office
Anna Hyatt-Cozier, House Democratic Staff

Call to Order

Commissioner Brandsgard called the meeting to order at 10:36 am. It was noted that a quorum of members was present for the meeting.

New Business:

September Meeting Minutes

Commissioner Bruner made a motion to table the approval of the September 15, 2011, meeting minutes; Cofield seconded the motion: Approved unanimously.

Action – Certified User Waiver Requests – Phil Groner

ICN has one Long distance (LD) voice service waiver request.

1. Board of Regents

Discussion:

During the past month, ICN staff has worked with the Board of Regents (BOR) to collect data. BOR has been very helpful in obtaining additional information and cooperative in answering ICN's questions. ICN staff

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discovered that of the institutions listed on BOR's waiver only the University of Iowa (U of I) and Iowa State University (ISU) have separate contracts to provide long distance (LD) outside of the ICN. The University of Northern Iowa, Iowa School for the Deaf and the Iowa Brail and Sight Saving School are still currently using ICN LD services. The contracts the U of I and ISU are using primarily provide LD services directly to the campuses in Ames and Iowa City. There are many other BOR locations throughout the State of Iowa, such as research labs and extension service offices, which still use ICN for LD. ICN discovered that the dedicated LD service they had contracts for were primarily for administrative and student use at campus locations. In reviewing ISU and the U of I contracts, ICN discovered that their rates are less than the ICN's current rate. However the contracts are specifically for the cost for the T1s that deliver LD traffic in and out of the campus environments. There is a cost for that. ICN based the comparison of 2008 data, which is the last full year of data ICN had for the BOR in terms of minutes, and based on the current contract price, the costs are significantly less. Based on that estimate and on the contract language, ICN services could potentially save ISU approximately \$59,000 per year. That is in contrast to what had been presented before in terms of the cost for the T1 circuits. It was the BOR's and their staff's understanding that there was no costs for the T1 services under these contracts and so they were a little confused about the language in those specific contracts. The ICN and the BOR need to conduct further research. The ICN will need to obtain the monthly invoices from the BOR, in order to confirm call volumes to do an accurate comparison and to also verify on the invoice whether or not the T1s are being charged as the contract states they should be charged and take that into account. At this time, ICN's recommendation would be for the Commission to table making a decision on the BOR LD waiver and allow ICN to continue to work with the BOR and institutions to finalize their findings.

Commissioner Lapointe moved to table the approval of BOR's long distance waiver request until more research and analysis of 8D can be done; Commissioner Bruner seconded the motion: A roll call vote was taken.

Commissioner Bruner – Yes
Commissioner Cofield – Yes
Commissioner Lapointe – Yes
Commissioner Brandsgard – Yes

Q. In looking at the analysis, how could the BOR miss the T1 charges?

A. The BOR is filing the waiver on behalf of all of the institutions. The BOR staff member working on this waiver request is a non-technical, telecommunications person and relied on the information the institutions were giving him for this waiver. ICN staff members don't believe that the institutions are giving him false information, there just appears to be some type of disconnect.

Q. Has the ICN pointed out the discrepancies to the BOR, is that ICN's responsibility?

A. Yes, ICN has already had discussions with BOR that the information in our contracting records isn't aligning with the information that's been provided and that the ICN may be requesting to see the invoices for services.

Q. When ICN sells services to the Universities, is it sold through the BOR or is it done independently with each institution?

A. Independently with each institution.

Meghan Gavin is working on a memo to clarify Iowa Code 8D and will include information on whether the BOR can globally, on behalf of all the public institutions, submit a waiver request or if they need to do so individually. Based on Gavin's memo the staff may be able to direct the BOR to submit the applications in the form that is required under Iowa Code 8D.

Action – Video over IP Rates – Phil Groner

ICN received some comments regarding the Video over IP rates. As part of the team's research earlier this year, they met with user groups of the ICN, such as K-12, community colleges, higher education, and state agencies and they discussed in very general terms the concepts of what ICN was doing for Video Services and pricing. Regarding a move to a flat rate model and a certain price range for usage, the initial responses were that customers felt the ICN was moving in the right direction. Based on this feedback the team created rates that were proposed at the September 15, 2011, ITTC meeting. However, when the ICN requested feedback from a broader range of users, the ICN was made aware of some concerns.

- Some of the responses ICN received were in regards to pricing and how the endpoints were being addressed. Under the rate service model, each endpoint would be paying a fee which had some of the users concerned, in particular some of the larger users who have multiple nodes and endpoints within their network.
- The second concern is from those users who currently do not pay anything for video services conducted in their classroom. The originating site is the one who gets billed for the classroom usage, such as a public library. The libraries expressed that in the 15 years they've had their ICN full motion video classroom they've never once originated content, so as a remote site they've never had to pay a per hour rate for that room. These entities do not have funds available to pay for the hours used in their rooms as a remote site. These users did not outright say they'd cancel the room or close it down, but that is the message ICN received; that if they can't afford it that's something they'd have to look at. That is a serious cause for concern. Forty-four percent of the classrooms and owners of the classrooms on the ICN network do not originate content and that's a significant risk if ICN were to put those rooms in jeopardy of closing or having to do something else. At this point we would recommend the Commission allow the ICN staff to conduct a further review of the rates and remodel some of these rate structures. The ICN is not in the position where there is a need to overhaul everything, but ICN needs to take those consideration into consideration when forming these rates.

Commissioner Lapointe moved to table the approval of the Video Over IP rates until a later ITTC meeting; Commissioner Bruner seconded the motion: A roll call vote was taken. Motion to table was approved unanimously.

Commissioner Bruner – Yes
Commissioner Cofield – Yes
Commissioner Lapointe – Yes
Commissioner Brandsgard – Yes

Old Business:

Waiver and 8D Discussion

Q. In researching 8D.9, 2.a: it states that a private or public agency shall use the network unless the private or public agency petitions the Commission for a waiver and one of the things that must apply is that the costs to the authorized user for services provided on the network are not competitive with the same services provided by another provider. I think the key words in this section are public or private agency. Is the BOR a public or private agency as contemplated by the language in Iowa code 8D?

A. In the meetings with the governor the BOR is identified as an agency, so there would need to be clarification on whether BOR is considered a public or private agency.

Adjournment

Commissioner Cofield made a motion that the meeting be adjourned; Commissioner Bruner seconded the motion: With there being no further business, the ITTC Commission meeting adjourned at 10:06 am.

ATTESTED TO:



Betsy Brandsgard, Chair, Iowa Telecommunications and Technology Commission